



Virginia Insurance

## Content Outlines

- for examinations taken **before** February 10, 2012
- for examinations taken **on or after** February 10, 2012

## LIFE & HEALTH GENERAL KNOWLEDGE CONTENT OUTLINE

### I. TYPES OF LIFE POLICIES..... 12

#### A. Traditional whole life products

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Adjustable life

#### B. Interest/market-sensitive life products

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life
5. Equity-indexed life

#### C. Term life

1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
  - e. Increasing term
2. Special features
  - a. Renewable
  - b. Convertible

#### D. Annuities

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed

#### E. Combination plans and variations

1. Joint life
2. Survivorship life (second to die)

### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS ..... 19

#### A. Policy riders

1. Waiver of premium and waiver of premium with disability income
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds (e.g., spouse, children, nonfamily )
7. Long term care
8. Return of premium

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look

4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Changes
  - d. Common disaster
  - e. Minor beneficiaries
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders
10. Non-forfeiture options
11. Dividends and dividend options
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age and gender
16. Settlement options
17. Accelerated death benefits

#### C. Policy exclusions

### III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY ..... 11

#### A. Completing the application

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt
6. Replacement
7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
8. USA PATRIOT Act/anti-money laundering

#### B. Underwriting

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger-originated life insurance (STOLI)
6. Investor-originated life insurance (IOLI)

#### C. Delivering the policy

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

### IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS ..... 8

#### A. Third-party ownership

#### B. Group life insurance

1. Conversion privilege
2. Contributory vs. noncontributory

<b>C. Retirement plans</b>	
1. Tax-qualified plans	
2. Nonqualified plans	
<b>D. Life insurance needs analysis/suitability</b>	
1. Personal insurance needs	
2. Business insurance needs	
a. Key person	
<b>E. Social Security benefits and taxes</b>	
<b>F. Tax treatment of insurance premiums, proceeds, and dividends</b>	
1. Individual life	
2. Group life	
3. Modified Endowment Contracts (MECs)	
<b>V. TYPES OF HEALTH POLICIES..... 14</b>	
<b>A. Disability income</b>	
1. Individual disability income policy	
2. Business overhead expense policy	
3. Business disability buyout policy	
4. Group disability income policy	
5. Key employee/partner policies	
<b>B. Accidental death and dismemberment</b>	
<b>C. Medical expense insurance</b>	
1. Basic hospital, medical, and surgical policies	
2. Major medical policies	
3. Health Maintenance Organizations (HMOs)	
4. Preferred Provider Organizations (PPOs)	
5. Point of Service (POS) plans	
6. Flexible Spending Accounts (FSAs)	
7. Health Reimbursement Accounts (HRAs)	
8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)	
9. Stop loss	
<b>D. Medicare supplement policies</b>	
<b>E. Group insurance</b>	
1. Group conversion	
2. Differences between individual and group contracts	
3. General concepts	
4. COBRA	
5. HIPAA	
<b>F. Long Term Care (LTC)</b>	
1. Individual LTC contracts	
2. Group/voluntary LTC contracts	
<b>G. Limited Benefit Plans</b>	
1. Cancer (or specified diseases) plans	
2. Critical illness plans	
3. Worksite (employer-sponsored) plans	
4. Hospital indemnity plans	
5. Dental	
6. Vision	
<b>VI. POLICY PROVISIONS, CLAUSES, AND RIDERS ..... 20</b>	
<b>A. Mandatory provisions</b>	
1. Entire contract	
2. Time limit on certain defenses (incontestable)	
3. Grace period	
4. Reinstatement	
5. Notice of claim	
6. Claim forms	
7. Proof of loss	
8. Time of payment of claims	
9. Payment of claims	
10. Physical examination and autopsy	
11. Legal actions	
12. Change of beneficiary	
13. Misstatement of age	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>VII. SOCIAL INSURANCE ..... 3</b>	
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>VIII. OTHER INSURANCE CONCEPTS ..... 4</b>	
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	
<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	

**IX. FIELD UNDERWRITING PROCEDURES..... 9**

- A. Completing application and obtaining necessary signatures**
- B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)**
- C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)**
- D. Submitting application (and initial premium if collected) to company for underwriting**
- E. Ensuring delivery of policy and related documents to client**
- F. Explaining policy and its provisions, riders, exclusions, and ratings to clients**
- G. Replacement**
- H. Contract law**
  - 1. Elements of a contract
  - 2. Insurable interest
  - 3. Warranties and representations
  - 4. Unique aspects of the health contract
    - a. Conditional
    - b. Unilateral
    - c. Adhesion

- 2. Agent Appointment
  - a. Agent appointment  
*Ref: 38.2-1825, 1833*
  - b. Cancellation of appointment  
*Ref: 38.2-1833-1834.1*
  - c. Termination notification  
*Ref: 38.2-1825, 1833-34.1*
- 3. Maintaining a license
  - a. Continuing education  
*Ref: 38.2-1866, 1868.1 to 1871*
  - b. Change of address  
*Ref: 38.2-1826(A) (D)*
  - c. Appointment renewal  
*Ref: 38.2-1834*
- 4. License suspension, revocation or denial  
*Ref: 38.2-1821, 1831, 1832*

**C. Fiduciary responsibilities ..... 0-2**  
*Ref: 38.2-1813*

**D. Commissions and compensation ..... 1-3**  
*Ref: 38.2-310, 1812, 1812.2*

**E. Felony convictions/ administrative actions ..... 0-2**  
*Ref: 38.2-1826(B)*

**F. Record Retention ..... 1-3**  
*Ref: 38-2-1809B*

**G. Marketing practices ..... 5-7**

- 1. Rebating  
*Ref: 38.2-509*
- 2. Misrepresentation  
*Ref: 38.2-502, 512*
- 3. Defamation  
*Ref: 38.2-504*
- 4. False advertising  
*Ref: 38.2-503*
- 5. Boycott, Coercion and intimidation  
*Ref: 38.2-505*
- 6. Unfair discrimination  
*Ref: 38.2-508*
- 7. Twisting  
*Ref: 38.2-1831(5)*

**H. Virginia Insurance Guaranty Association..... 0-1**  
*Ref: 38.2-1700, 1715*

**I. Insurance Information and Privacy Protection .... 0-1**  
*Ref: 38.2-600 to 620*

- 1. Adverse Underwriting Decisions

**II. VIRGINIA STATUTES AND REQUIREMENTS PERTINENT TO LIFE INSURANCE ONLY ..... 7**

**A. Life Insurance and Annuity Marketing Practices**  
*Ref: 14 VAC 5-40-10 to 60*

- 1. Purpose
- 2. Definitions
- 3. Agents' responsibilities
- 4. Insurer's responsibilities

**B. Suitability in Annuity Transactions**  
*Ref: 14 VAC 5-45-10*

**C. Replacement**  
*Ref: 14 VAC 5-30- 10 to 70*

- 1. Purpose
- 2. Definitions

**LIFE & HEALTH  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(40 scoreable questions plus 5 pretest questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

**I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE ..... 23**

- A. State Corporation Commission/ Commissioner of Insurance..... 2-4**
  - 1. General powers  
*Ref: 38.2-200*
  - 2. Rules and regulations, orders  
*Ref: 38.2-223*
  - 3. Examinations  
*Ref: 38.2-515, 1317, 1809A*
  - 4. Penalties  
*Ref: 38.2-218, 219, 1823; 1831*
- B. Agent Licensing..... 6-8**
  - 1. Types of Licenses
    - a. Insurance agent  
*Ref: 38.2-1800.1, 1820, 1822(A),(B)*
    - b. Consultant  
*Ref: 38.2-1837-1839*
    - c. Business entities  
*Ref: 38.2-1820, 1822 (C, E)*
    - d. Temporary insurance agents  
*Ref: 38.2-1830*
    - e. Exceptions  
*Ref: 38.2-1821.1, 1822*

- A. Life Insurance and Annuity Marketing Practices**  
*Ref: 14 VAC 5-40-10 to 60*
  - 1. Purpose
  - 2. Definitions
  - 3. Agents' responsibilities
  - 4. Insurer's responsibilities
- B. Suitability in Annuity Transactions**  
*Ref: 14 VAC 5-45-10*
- C. Replacement**  
*Ref: 14 VAC 5-30- 10 to 70*
  - 1. Purpose
  - 2. Definitions

# PROPERTY & CASUALTY GENERAL KNOWLEDGE

## CONTENT OUTLINE

- 3. Exemptions
- 4. Duties of agent
- 5. Duties of replacing insurance company
- D. Accelerated benefits**  
*Ref: 38.2-3115.1; 14 VAC 5-70*
- E. Group Life**  
*Ref: 38.2-3318.1*
  - 1. Eligible groups
  - 2. Conversion  
*Ref: 38.2-3332 through 3334*
- F. Policy Loans**  
*Ref: 38.2-3308*
- G. Viatical Settlements**
  - 1. Purpose  
*Ref: 14 VAC 5-71-10*
  - 2. Broker authority and licensing  
*Ref: 38.2-1865.1, 38.2-6001, 14 VAC 5-71-40*
  - 3. Disclosure  
*Ref: 38.2-6005, 6007, 14 VAC 5-71-35*
  - 4. General rules and prohibited practices  
*Ref: 38.2-6008, 6009; 14 VAC 5-71-90 and 92*
- H. Military Sales**  
*Ref: 14 VAC 5-420-10 to 20*
- III. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO HEALTH INSURANCE ONLY ..... 10**
  - A. Medicare supplements**  
*Ref: 38.2-3600 through 38.2-3609; 14 VAC 5-170-10 to 210*
  - B. Long term care**  
*Ref: 38.2-5200-5210; 14 VAC 5-200-10-210*
    - 1. Long Term Care Partnership  
*Ref: 14 VAC 5-200-205*
  - C. Advertising**  
*Ref: 14 VAC 5-90-10 to 180 ; 14 VAC 5-43-10 to 30*
  - D. Minimum standards for Individual Policies**  
*Ref: § 38.2-3516,*
    - 1. Purpose  
*Ref: 38.2-3516*
    - 2. Disclosure  
*Ref: 14 VAC 5-140-80*
    - 3. Replacement  
*Ref: 14 VAC 5-140-90*
  - E. Health Insurance Portability and Accountability Act (HIPAA)**  
*Ref: 38.2-3430.1 to 38.2-3430.9, 38.2-3432.1 to 38.2-3432.3*
  - F. Group Insurance**
    - 1. Conversion  
*Ref: 38.2-3416, 3541*
  - G. Defined groups**  
*Ref: 38.2-3521.1*
  - H. Health Maintenance Organizations (HMOs)**  
*Ref: 38.2-4300 to 38.2-4323; 14 VAC 5-211-10 to 280*
  - I. Small employer**  
*Ref: 38.2-3431 to 38.2-3437; 14 VAC 5-234-10 to 100*
  - J. Virginia Family Access to Medical Insurance Security Plan (FAMIS)**  
*Ref: 32.1-351 to 32.1-353*

- I. TYPES OF POLICIES .....25**
  - A. Homeowners**
    - 1. HO-2
    - 2. HO-3
    - 3. HO-4
    - 4. HO-5
    - 5. HO-6
    - 6. HO-8
  - B. Dwelling policies**
    - 1. DP-1
    - 2. DP-2
    - 3. DP-3
  - C. Commercial lines**
    - 1. Commercial Package Policy (CPP)
    - 2. Commercial property
      - a. Commercial building and business personal property form
      - b. Causes of loss forms
      - c. Business income
      - d. Extra expense
    - 3. Business Owners Policy (BOP)
    - 4. Builders Risk
  - D. Inland marine**
    - 1. Personal Articles floaters
    - 2. Commercial Property floaters
    - 3. Nationwide Definition
  - E. National Flood Insurance Program**
  - F. Others**
    - 1. Earthquake
    - 2. Mobile Homes
    - 3. Watercraft
    - 4. Farm Owners
    - 5. Crop/hail
    - 6. Windstorm
- II. INSURANCE TERMS AND RELATED CONCEPTS ..... 14**
  - A. Insurance**
    - 1. Law of Large Numbers
  - B. Insurable interest**
  - C. Risk**
    - 1. Pure vs. Speculative Risk
  - D. Hazard**
    - 1. Moral
    - 2. Morale
    - 3. Physical
  - E. Peril**
  - F. Loss**
    - 1. Direct
    - 2. Indirect
  - G. Loss Valuation**
    - 1. Actual cash value
    - 2. Replacement cost
    - 3. Market value

4. Stated value	
5. Salvage value	
<b>H. Proximate cause</b>	
<b>I. Deductible</b>	
<b>J. Indemnity</b>	
<b>K. Limits of liability</b>	
<b>L. Coinsurance/Insurance to value</b>	
<b>M. Occurrence</b>	
<b>N. Cancellation</b>	
<b>O. Nonrenewal</b>	
<b>P. Vacancy and unoccupancy</b>	
<b>Q. Liability</b>	
1. Absolute	
2. Strict	
3. Vicarious	
<b>R. Negligence</b>	
<b>S. Binder</b>	
<b>T. Endorsements</b>	
<b>U. Medical Payments</b>	
<b>V. Blanket vs. Specific</b>	
<b>W. Burglary, Robbery, Theft, and Mysterious Disappearance</b>	
<b>III. POLICY PROVISIONS AND CONTRACT LAW ..... 11</b>	
<b>A. Declarations</b>	
<b>B. Insuring agreement</b>	
<b>C. Conditions</b>	
<b>D. Exclusions</b>	
<b>E. Definition of the insured</b>	
<b>F. Duties of the insured</b>	
<b>G. Obligations of the insurance company</b>	
<b>H. Mortgagee rights</b>	
<b>I. Proof of loss</b>	
<b>J. Notice of claim</b>	
<b>K. Appraisal</b>	
<b>L. Other Insurance Provision</b>	
<b>M. Assignment</b>	
<b>N. Subrogation</b>	
<b>O. Elements of a contract</b>	
<b>P. Warranties, representations, and concealment</b>	
<b>Q. Sources of underwriting information</b>	
<b>R. Fair Credit Reporting Act</b>	
<b>S. Privacy Protection (Gramm Leach Bliley)</b>	
<b>T. Policy Application</b>	
<b>U. Terrorism Risk Insurance Act (TRIA)</b>	
<b>IV. TYPES OF POLICIES, BONDS, AND RELATED TERMS..... 23</b>	
<b>A. Commercial general liability</b>	
1. Exposures	
a. Premises and Operations	
b. Products and Completed Operations	
2. Coverage	
a. Coverage A: Bodily Injury and Property Damage Liability	
(1) Occurrence	
(2) Claims made	

(a) Extended Reporting Periods: Basic and Supplemental
(b) Retroactive Date
b. Coverage B: Personal Injury and Advertising Injury
c. Coverage C: Medical Payments
d. Supplemental Payments
e. Who is an insured
f. Limits
g. Damage to Property of Others
(1) Per occurrence
(2) Annual Aggregate
<b>B. Automobile: personal auto and business auto</b>
1. Liability
a. Bodily Injury
b. Property Damage
c. Split Limits
d. Combined Single Limit
2. Medical Payments
3. Physical Damage (collision; other than collision; specified perils)
4. Uninsured motorists
5. Underinsured motorists
6. Who is an insured
7. Types of Auto
a. Owned
b. Non-owned
c. Hired
d. Temporary Substitute
e. Newly Acquired Autos
f. Transportation Expense and Rental Reimbursement Expense
8. Garage Coverage Form, including Garagekeepers Insurance
9. Exclusions
10. Individual Insured and Drive Other Car (DOC)
<b>C. Workers Compensation Insurance, Employers Liability Insurance, and Related Issues</b>
(This section does not deal with specifics of state law, which are addressed elsewhere in this outline.)
1. Standard policy concepts
a. Who is an employee/employer
b. Compensation
(1) Loss of wages
(2) Medical
(3) Disability
(4) Vocational Rehabilitation
(5) Death/Survivor
2. Work-related vs. non-work-related
3. Other states' insurance
4. Employers Liability
5. Exclusive remedy
6. Premium Determination
<b>D. Crime</b>
1. Employee Dishonesty
2. Theft
3. Robbery
4. Burglary
5. Forgery and Alteration

<b>E. Bonds</b>	
1. Surety	
2. Fidelity	
<b>F. Professional liability</b>	
1. Errors and Omissions	
2. Medical Malpractice	
3. Directors and Officers (D&O)	
4. Employment Practices Liability (EPLI)	
<b>G. Umbrella/Excess Liability</b>	
<b>V. INSURANCE TERMS AND RELATED CONCEPTS .....</b>	<b>15</b>
<b>A. Risk</b>	
<b>B. Hazards</b>	
1. Moral	
2. Morale	
3. Physical	
<b>C. Indemnity</b>	
<b>D. Insurable interest</b>	
<b>E. Actual cash value</b>	
<b>F. Negligence</b>	
<b>G. Liability</b>	
<b>H. Occurrence</b>	
<b>I. Binders</b>	
<b>J. Warranties</b>	
<b>K. Representations</b>	
<b>L. Concealment</b>	
<b>M. Deposit Premium/Audit</b>	
<b>N. Certificate of Insurance</b>	
<b>O. Law of Large Numbers</b>	
<b>P. Pure vs. Speculative Risk</b>	
<b>Q. Endorsements</b>	
<b>R. Damages</b>	
1. Compensatory	
a. General	
b. Special	
2. Punitive	
<b>S. Compliance with provisions of Fair Credit Reporting Act</b>	
<b>VI. POLICY PROVISIONS .....</b>	<b>12</b>
<b>A. Declarations</b>	
<b>B. Insuring agreement</b>	
<b>C. Conditions</b>	
<b>D. Exclusions and Limitations</b>	
<b>E. Definition of the insured</b>	
<b>F. Duties of the insured after a loss</b>	
<b>G. Cancellation and nonrenewal provisions</b>	
<b>H. Additional (supplementary) payments</b>	
<b>I. Proof of loss</b>	
<b>J. Notice of claim</b>	
<b>K. Arbitration</b>	
<b>L. Other insurance</b>	
<b>M. Subrogation</b>	
<b>N. Loss settlement provisions including consent to settle a loss</b>	
<b>O. Terrorism Risk Insurance Act (TRIA)</b>	

## PROPERTY & CASUALTY VIRGINIA SPECIFIC CONTENT OUTLINE

### State Statutes, Rules and Regulations

(35 scoreable questions plus 5 pretest questions)

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

<b>I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....</b>	<b>25</b>
<b>A. State Corporation Commission/ Commissioner of Insurance .....</b>	<b>2-4</b>
1. General powers	
<i>Ref: 38.2-200</i>	
2. Rules and regulations, orders	
<i>Ref: 38.2-223</i>	
3. Examinations	
<i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties	
<i>Ref: 38.2-218, 219, 1823, 1831</i>	
<b>B. Agent Licensing.....</b>	<b>4-6</b>
1. Types of Licenses	
a. Insurance agent	
<i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	
<i>Ref: 38.2-1837-1839</i>	
c. Business entities	
<i>Ref: 38.2-1820, 1822 (C, E)</i>	
d. Temporary insurance agents	
<i>Ref: 38.2-1830</i>	
e. Exceptions	
<i>Ref: 38.2-1821.1, 1822</i>	
2. Agent Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833, 1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833, 1834.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A) (D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities .....</b>	<b>2-4</b>
<i>Ref: 38.2-1813</i>	
<b>D. Commissions and compensation.....</b>	<b>1-3</b>
<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E. Felony convictions/ administrative actions .....</b>	<b>0-2</b>
<i>Ref: 38.2-1826(B) (C)</i>	
<b>F. Record Retention.....</b>	<b>1-3</b>

Ref: 38.2-1809B

**G. Marketing practices ..... 5-7**

1. Rebating  
Ref: 38.2-509
2. Misrepresentation  
Ref: 38.2-502, 512
3. Defamation  
Ref: 38.2-504
4. False advertising  
Ref: 38.2-503
5. Boycott, Coercion and intimidation  
Ref: 38.2-505
6. Unfair discrimination  
Ref: 38.2-508
7. Twisting  
Ref: 38.2-1831(5)

**H. Virginia Insurance Guaranty Association ..... 0-1**

Ref: 38.2-1600

**I. Insurance Information and Privacy Protection .... 0-1**

Ref: 38.2-600 to 620

1. Adverse Underwriting Decisions

**II. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO PROPERTY INSURANCE ONLY ..... 3**

**A. Virginia Property Insurance Association (FAIR Plan)**

Ref: 38.2-2700 to 2702

1. Purpose
2. Definition
3. Establishment

**B. Renewal, nonrenewal, and cancellation**

Ref: 38.2-2113, 2114, 38.2-2105

**C. Optional coverages**

Ref: 38.2-2120, 2124

1. Ordinance or law
2. Water Sewer Backup

**D. Disclosures**

1. Flood exclusion  
Ref: 38.2-2125

**III. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO CASUALTY INSURANCE ONLY ..... 7**

**A. Auto ..... 3-5**

1. Uninsured/Underinsured motorists coverage  
Ref: 38.2-2206; 46.2-472; 38.2-2202
2. Virginia Automobile Insurance Plan (assigned risk)  
Ref: 46.2-464 to 471
  - a. Insurance company's participation
  - b. Insured's participation
3. Financial responsibility  
Ref: 46.2-472; 46.2-316 (C)
4. Omnibus Clause  
Ref: 38.2-2204
5. Medical Expense/Loss of Income Protection  
Ref: 38.2-2201
6. Rental Reimbursement Coverage  
Ref: 38.2-2230

**B. Renewal, nonrenewal, and cancellation ..... 1-3**

Ref: 38.2-231, 612, 2208, 2105, 2212-2114, 2126 (F)(G), 2234

**C. Workers Compensation ..... 0-2**

1. Employment covered  
Ref: 65.2-101, 300
2. Virginia Workers' Compensation Plan  
Ref: 65.2-820

## LIFE GENERAL KNOWLEDGE

### CONTENT OUTLINE

(50 scoreable questions plus 10 pretest questions)

**I. TYPES OF POLICIES ..... 12**

**A. Traditional whole life products**

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Adjustable life

**B. Interest/market-sensitive life products**

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life
5. Equity-indexed life

**C. Term life**

1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
  - e. Increasing term
2. Special features
  - a. Renewable
  - b. Convertible

**D. Annuities**

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed

**E. Combination plans and variations**

1. Joint life
2. Survivorship life (second to die)

**II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS ..... 19**

**A. Policy riders**

1. Waiver of premium and waiver of premium with disability income
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds (e.g., spouse, children, nonfamily )
7. Long term care
8. Return of premium

**B. Policy provisions and options**

1. Entire contract
2. Insuring clause
3. Free look

4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Changes
  - d. Common disaster
  - e. Minor beneficiaries
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders
10. Non-forfeiture options
11. Dividends and dividend options
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age and gender
16. Settlement options
17. Accelerated death benefits

**C. Policy exclusions**

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY ..... 11**

**A. Completing the application**

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt
6. Replacement
7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
8. USA PATRIOT Act/anti-money laundering

**B. Underwriting**

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger-originated life insurance (STOLI)
6. Investor-originated life insurance (IOLI)

**C. Delivering the policy**

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

**IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS ..... 8**

**A. Third-party ownership**

**B. Group life insurance**

1. Conversion privilege
2. Contributory vs. noncontributory

**C. Retirement plans**

1. Tax-qualified plans
2. Nonqualified plans

**D. Life insurance needs analysis/suitability**

1. Personal insurance needs
2. Business insurance needs

- a. Key person

**E. Social Security benefits and taxes**

**F. Tax treatment of insurance premiums, proceeds, and dividends**

1. Individual life
2. Group life
3. Modified Endowment Contracts (MECs)

**LIFE  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(40 scoreable questions plus 5 pretest questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

**I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE..... 25**

**A. State Corporation Commission/ Commissioner of Insurance ..... 2-4**

1. General powers  
*Ref: 38.2-200*
2. Rules and regulations, orders  
*Ref: 38.2-223*
3. Examinations  
*Ref: 38.2-515, 1317, 1809A*
4. Penalties  
*Ref: 38.2-218, 219, 1823; 1831*

**B. Agent Licensing ..... 6-8**

1. Types of Licenses
  - a. Insurance agent  
*Ref: 38.2-1800.1, 1820, 1822(A),(B)*
  - b. Consultant  
*Ref: 38.2-1837-1839*
  - c. Business entities  
*Ref: 38.2-1820, 1822 (C, E)*
  - d. Temporary insurance agents  
*Ref: 38.2-1830*
  - e. Exceptions  
*Ref: 38.2-1821.1, 1822*
2. Agent Appointment
  - a. Agent appointment  
*Ref: 38.2-1825, 1833*
  - b. Cancellation of appointment  
*Ref: 38.2-1833-1834.1*
  - c. Termination notification  
*Ref: 38.2-1825, 1833-1834.1*
3. Maintaining a license
  - a. Continuing education  
*Ref: 38.2-1866, 1868.1 to 1871*
  - b. Change of address  
*Ref: 38.2-1826(A)(D)*
  - c. Appointment renewal  
*Ref: 38.2-1834*

4. License suspension, revocation or denial <i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities .....</b>	<b>0-2</b>
<i>Ref: 38.2-1813</i>	
<b>D. Commissions and compensation .....</b>	<b>1-3</b>
<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E. Felony convictions/ administrative actions .....</b>	<b>0-2</b>
<i>Ref: 38.2-1826(B)(C)</i>	
<b>F. Record Retention.....</b>	<b>1-3</b>
<i>Ref: 38.2-1809B</i>	
<b>G. Marketing practices .....</b>	<b>6-8</b>
1. Rebating <i>Ref: 38.2-509</i>	
2. Misrepresentation <i>Ref: 38.2-502, 512</i>	
3. Defamation <i>Ref: 38.2-504</i>	
4. False advertising <i>Ref: 38.2-503</i>	
5. Boycott, Coercion and intimidation <i>Ref: 38.2-505</i>	
6. Unfair discrimination <i>Ref: 38.2-508</i>	
7. Twisting <i>Ref: 38.2-1831(5)</i>	
<b>H. Virginia Insurance Guaranty Association .....</b>	<b>0-1</b>
<i>Ref: 38.2-1700, 1715</i>	
<b>I. Insurance Information and Privacy Protection ....</b>	<b>0-2</b>
<i>Ref: 38.2-600 to 620</i>	
1. <i>Adverse Underwriting Decisions</i>	
<b>II. VIRGINIA STATUTES AND REQUIREMENTS PERTINENT TO LIFE INSURANCE ONLY .....</b>	<b>15</b>
<b>A. Life Insurance and Annuity Marketing Practices.....</b>	<b>2-4</b>
<i>Ref: 14 VAC 5-40-10 to 60</i>	
1. Purpose	
2. Definitions	
3. Agents' responsibilities	
4. Insurer's responsibilities	
<b>B. Suitability in Annuity Transactions .....</b>	<b>1-3</b>
<i>Ref: 14 VAC 5-45-10</i>	
<b>C. Replacement .....</b>	<b>2-4</b>
<i>Ref: 14 VAC 5-30-10 to 70</i>	
1. Purpose	
2. Definitions	
3. Exemptions	
4. Duties of agent	
5. Duties of replacing insurance company	
<b>D. Accelerated benefits .....</b>	<b>0-2</b>
<i>Ref: 38.2-3115.1; 14 VAC 5-70</i>	
<b>E. Group Life.....</b>	<b>1-3</b>
<i>Ref: 38.2-3318.1</i>	
1. Eligible groups	
2. Conversion <i>Ref: 38.2-3332 through 38.2-3334</i>	
<b>F. Policy Loans .....</b>	<b>0-2</b>
<i>Ref: 38.2-3308</i>	
<b>G. Viatical Settlements .....</b>	<b>0-2</b>

1. Purpose <i>Ref: 14 VAC 5-71-10</i>	
2. Broker authority and licensing <i>Ref: 38.2-1865.1, 38.2-6001, 14 VAC 5-71-40</i>	
3. Disclosure <i>Ref: 14 VAC 5-71-35, 38.2-6005, 6007</i>	
4. General rules and prohibited practices <i>Ref: 38.2-6008, 6009; 14 VAC 5-71-90 and 92</i>	
<b>H. Military Sales .....</b>	<b>0-2</b>
<i>Ref: 14VAC5-420-10 to 20</i>	

## HEALTH GENERAL KNOWLEDGE

### CONTENT OUTLINE

*(50 scoreable questions plus 10 pretest questions)*

<b>I. TYPES OF POLICIES .....</b>	<b>14</b>
<b>A. Disability income</b>	
1. Individual disability income policy	
2. Business overhead expense policy	
3. Business disability buyout policy	
4. Group disability income policy	
5. Key employee/partner policies	
<b>B. Accidental death and dismemberment</b>	
<b>C. Medical expense insurance</b>	
1. Basic hospital, medical, and surgical policies	
2. Major medical policies	
3. Health Maintenance Organizations (HMOs)	
4. Preferred Provider Organizations (PPOs)	
5. Point of Service (POS) plans	
6. Flexible Spending Accounts (FSAs)	
7. Health Reimbursement Accounts (HRAs)	
8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)	
9. Stop loss	
<b>D. Medicare supplement policies</b>	
<b>E. Group insurance</b>	
1. Group conversion	
2. Differences between individual and group contracts	
3. General concepts	
4. COBRA	
5. HIPAA	
<b>F. Long Term Care (LTC)</b>	
1. Individual LTC contracts	
2. Group/voluntary LTC contracts	
<b>G. Limited Benefit Plans</b>	
1. Cancer (or specified diseases) plans	
2. Critical illness plans	
3. Worksite (employer-sponsored) plans	
4. Hospital indemnity plans	
5. Dental	
6. Vision	
<b>II. POLICY PROVISIONS, CLAUSES, AND RIDERS .....</b>	<b>20</b>
<b>A. Mandatory provisions</b>	
1. Entire contract	
2. Time limit on certain defenses (incontestable)	

3. Grace period	
4. Reinstatement	
5. Notice of claim	
6. Claim forms	
7. Proof of loss	
8. Time of payment of claims	
9. Payment of claims	
10. Physical examination and autopsy	
11. Legal actions	
12. Change of beneficiary	
13. Misstatement of age	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>III. SOCIAL INSURANCE ..... 3</b>	
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>IV. OTHER INSURANCE CONCEPTS ..... 4</b>	
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	

<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	
<b>V. FIELD UNDERWRITING PROCEDURES .....9</b>	
<b>A. Completing application and obtaining necessary signatures</b>	
<b>B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)</b>	
<b>C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)</b>	
<b>D. Submitting application (and initial premium if collected) to company for underwriting</b>	
<b>E. Ensuring delivery of policy and related documents to client</b>	
<b>F. Explaining policy and its provisions, riders, exclusions, and ratings to clients</b>	
<b>G. Replacement</b>	
<b>H. Contract law</b>	
1. Elements of a contract	
2. Insurable interest	
3. Warranties and representations	
4. Unique aspects of the health contract	
a. Conditional	
b. Unilateral	
c. Adhesion	

## HEALTH VIRGINIA SPECIFIC CONTENT OUTLINE

**State Statutes, Rules and Regulations**  
*(40 scoreable questions plus 5 pretest questions)*  
*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

<b>I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....25</b>	
<b>A. State Corporation Commission/ Commissioner of Insurance .....2-4</b>	
1. General powers	
<i>Ref: 38.2-200</i>	
2. Rules and regulations, orders	
<i>Ref: 38.2-223</i>	
3. Examinations	
<i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties	
<i>Ref: 38.2-218, 219, 1823; 1831</i>	
<b>B. Agent Licensing .....6-8</b>	
1. Types of Licenses	
a. Insurance agent	
<i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	

*Ref: 38.2-1837-1839*

c. Business entities  
*Ref: 38.2-1820, 1822 (C, E)*

d. Temporary insurance agents  
*Ref: 38.2-1830*

e. Exceptions  
*Ref: 38.2-1821.1, 1822*

2. Agent Appointment

a. Agent appointment  
*Ref: 38.2-1825, 1833*

b. Cancellation of appointment  
*Ref: 38.2-1833-1834.1*

c. Termination notification  
*Ref: 38.2-1825, 1833-1834.1*

3. Maintaining a license

a. Continuing education  
*Ref: 38.2-1866, 1868.1 to 1871*

b. Change of address  
*Ref: 38.2-1826(A)(D)*

c. Appointment renewal  
*Ref: 38.2-1834*

4. License suspension, revocation or denial  
*Ref: 38.2-1821, 1831, 1832*

**C. Fiduciary responsibilities ..... 0-2**  
*Ref: 38.2-1813*

**D. Commissions and compensation ..... 1-3**  
*Ref: 38.2-310, 1812, 1812.2*

**E. Felony convictions/ administrative actions ..... 0-2**  
*Ref: 38.2-1826(B)*

**F. Record Retention..... 1-3**  
*Ref: 38.2-1809B*

**G. Marketing practices ..... 6-8**

1. Rebating  
*Ref: 38.2-509*

2. Misrepresentation  
*Ref: 38.2-502, 512*

3. Defamation  
*Ref: 38.2-504*

4. False advertising  
*Ref: 38.2-503*

5. Boycott, Coercion and intimidation  
*Ref: 38.2-505*

6. Unfair discrimination  
*Ref: 38.2-508*

7. Twisting  
*Ref: 38.2-1831(5)*

**H. Virginia Insurance Guaranty Association ..... 0-1**  
*Ref: 38.2-1700, 1715*

**I. Insurance Information and Privacy Protection .... 0-2**  
*Ref: 38.2-600 to 620*

1. Adverse Underwriting Decisions

**II. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO HEALTH INSURANCE ONLY ..... 15**

**A. Medicare supplements ..... 1-3**  
*Ref: 38.2-3600 through 3609; 14 VAC 5-170-10 to 210*

**B. Long term care..... 1-3**  
*Ref: 38.2-5200-5210; 14 VAC 5-200-10-210*

1. Long Term Care Partnership

*Ref: 14 VAC 5-200-205*

**C. Advertising ..... 1-3**  
*Ref: 14 VAC 5-90-10 to 180; 14 VAC 5-43-10 to 30*

**D. Minimum standards for Individual Policies ..... 0-2**  
*Ref: § 38.2-3516,*

1. Purpose  
*§ 38.2-3516*

2. Disclosure  
*Ref: 14 VAC 5-140-80*

3. Replacement  
*Ref: 14 VAC 5-140-90*

**E. Health Insurance Portability and Accountability Act (HIPAA)..... 0-2**  
*Ref: 38.2-3430.1 to 38.2-3430.9, 38.2-3432.1 to 38.2-3432.3*

**F. Group Insurance ..... 1-3**

1. Conversion  
*Ref: 38.2-3416, 3541*

**G. Defined groups ..... 0-2**  
*Ref: 38.2-3521.1*

**H. Health Maintenance Organizations (HMOs) ..... 0-2**  
*Ref: 38.2-4300 to 38.2-4323; 14 VAC 5-211-10 to 280*

**I. Small employer..... 0-2**  
*Ref: 38.2-3431 to 38.2-3437; 14 VAC 5-234-10 to 100*

**J. Virginia Family Access to Medical Insurance Security Plan (FAMIS)..... 0-2**  
*Ref: 32.1-351 to 32.1-353*

**PERSONAL LINES  
GENERAL KNOWLEDGE  
CONTENT OUTLINE**

*(75 scoreable questions plus 11 pretest questions)*

**I. TYPES OF PROPERTY POLICIES ..... 10**

**A. Homeowners**

1. HO-2

2. HO-3

3. HO-4

4. HO-5

5. HO-6

6. HO-8

**B. Dwelling policies**

1. DP-1

2. DP-2

3. DP-3

**C. Inland marine**

1. Personal Articles floaters

2. Nationwide Definition

**D. National Flood Insurance Program**

**E. Others**

1. Earthquake

2. Mobile Homes

3. Watercraft

4. Crop/hail

5. Windstorm

**II. TYPES OF CASUALTY POLICIES ..... 13**

**A. Automobile: personal auto**

- 1. Liability
  - a. Bodily Injury
  - b. Property Damage
  - c. Split Limits
  - d. Combined Single Limit
- 2. Medical Payments
- 3. Physical Damage (collision; other than collision; specified perils)
- 4. Uninsured motorists
- 5. Underinsured motorists
- 6. Who is an insured
- 7. Types of Auto
  - a. Owned
  - b. Non-owned
  - c. Hired
  - d. Temporary Substitute
  - e. Newly Acquired Autos
  - f. Transportation Expense and Rental Reimbursement Expense
- 8. Exclusions
- B. Umbrella/Excess liability**
- III. PROPERTY AND CASUALTY INSURANCE TERMS AND RELATED CONCEPTS ..... 28**
- A. Insurance**
  - 1. Law of Large Numbers
- B. Insurable interest**
- C. Risk**
  - 1. Pure vs. Speculative Risk
- D. Hazard**
  - 1. Moral
  - 2. Morale
  - 3. Physical
- E. Peril**
- F. Loss**
  - 1. Direct
  - 2. Indirect
- G. Loss Valuation**
  - 1. Actual cash value
  - 2. Replacement cost
  - 3. Market value
  - 4. Stated value
  - 5. Salvage value
- H. Proximate cause**
  - I. Deductible**
  - J. Indemnity**
  - K. Limits of liability**
  - L. Coinsurance/Insurance to value**
  - M. Occurrence**
  - N. Cancellation**
  - O. Nonrenewal**
  - P. Vacancy and unoccupancy**
  - Q. Liability**
    - 1. Absolute
    - 2. Strict
    - 3. Vicarious
  - R. Negligence**
  - S. Binder**
  - T. Endorsements**

- U. Medical Payments**
- V. Blanket vs. Specific**
- W. Burglary, Robbery, Theft, and Mysterious Disappearance**
- X. Warranties**
- Y. Representations**
- Z. Concealment**
- AA. Deposit Premium/Audit**
- BB. Certificate of Insurance**
- CC. Damages**
  - 1. Compensatory
    - a. General
    - b. Special
  - 2. Punitive
- DD. Compliance with Provisions of Fail Credit Reporting Act**
- IV. PROPERTY AND CASUALTY POLICY PROVISIONS AND CONTRACT LAW .....24**
- A. Declarations**
- B. Insuring agreement**
- C. Conditions**
- D. Exclusions**
- E. Definition of the insured**
- F. Duties of the insured**
- G. Obligations of the insurance company**
- H. Mortgagee rights**
  - I. Proof of loss**
  - J. Notice of claim**
  - K. Appraisal**
  - L. Other Insurance Provision**
  - M. Assignment**
  - N. Subrogation**
  - O. Elements of a contract**
  - P. Warranties, representations, and concealment**
  - Q. Sources of underwriting information**
  - R. Fair Credit Reporting Act**
  - S. Privacy Protection (Gramm Leach Bliley)**
  - T. Policy Application**
  - U. Terrorism Risk Insurance Act (TRIA)**
  - V. Cancellation and nonrenewal provisions**
  - W. Additional (supplementary) payments**
  - X. Arbitration**

**PERSONAL LINES  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(32 scoreable questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

- I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....25**
  - A. State Corporation Commission/ Commissioner of Insurance .....2-4**

1. General powers	
<i>Ref: 38.2-200</i>	
2. Rules and regulations, orders	
<i>Ref: 38.2-223</i>	
3. Examinations	
<i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties	
<i>Ref: 38.2-218, 219, 1823; 1831</i>	
<b>B. Agent Licensing.....</b>	<b>6-8</b>
1. Types of Licenses	
a. Insurance agent	
<i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	
<i>Ref: 38.2-1837-1839</i>	
c. Business entities	
<i>Ref: 38.2-1820, 1822 (C, E)</i>	
d. Temporary insurance agents	
<i>Ref: 38.2-1830</i>	
e. Exceptions	
<i>Ref: 38.2-1821.1, 1822</i>	
2. Agent Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833-1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833-34.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A)(D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities .....</b>	<b>2-4</b>
<i>Ref: 38.2-1813</i>	
<b>D. Commissions and compensation .....</b>	<b>1-3</b>
<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E. Felony convictions/ administrative actions .....</b>	<b>0-2</b>
<i>Ref: 38.2-1826(B) (C)</i>	
<b>F. Record Retention.....</b>	<b>1-3</b>
<i>Ref: 38.2-1809B</i>	
<b>G. Marketing practices .....</b>	<b>5-7</b>
1. Rebating	
<i>Ref: 38.2-509</i>	
2. Misrepresentation	
<i>Ref: 38.2-502, 512</i>	
3. Defamation	
<i>Ref: 38.2-504</i>	
4. False advertising	
<i>Ref: 38.2-503</i>	
5. Boycott, Coercion and intimidation	
<i>Ref: 38.2-505</i>	
6. Unfair discrimination	
<i>Ref: 38.2-508</i>	
7. Twisting	

<i>Ref: 38.2-1831(5)</i>	
<b>H. Virginia Insurance Guaranty Association.....</b>	<b>0-1</b>
<i>Ref: 38.2-1600</i>	
<b>I. Insurance Information and Privacy Protection ....</b>	<b>0-1</b>
<i>Ref: 38.2-600 to 620</i>	
<b>J. Adverse Underwriting Decisions.....</b>	<b>0-1</b>
<i>Ref: 38.2-610, 612</i>	
<b>II. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO PERSONAL LINES INSURANCE ONLY .....</b>	<b>7</b>
<b>A. Virginia Property Insurance Association (FAIR Plan).....</b>	<b>0-2</b>
<i>Ref: 38.2-2700 to 2702</i>	
1. Purpose	
2. Definition	
3. Establishment	
<b>B. Auto .....</b>	<b>3-5</b>
1. Uninsured/Underinsured motorists coverage	
<i>Ref: 38.2-2206; 46.2-472; 38.2-2202</i>	
2. Virginia Automobile Insurance Plan (assigned risk)	
<i>Ref: 46.2-464 to 471</i>	
a. Insurance company's participation	
b. Insured's participation	
3. Financial responsibility	
<i>Ref: 46.2-472; 46.2-316 (C)</i>	
4. Omnibus Clause	
<i>Ref: 38.2-2204</i>	
5. Medical Expense/Loss of Income Protection	
<i>Ref: 38.2-2201</i>	
6. Rental Reimbursement Coverage	
<i>Ref: 38.2-2230</i>	
<b>C. Renewal, nonrenewal, and cancellation .....</b>	<b>1-3</b>
<i>Ref: 612, 2208, 2105, 2212-2114, 2126 (F)(G), 2234</i>	
<b>D. Optional Property coverages .....</b>	<b>0-1</b>
<i>Ref: 38.2-2120, 2124</i>	
1. Ordinance or law	
2. Water Sewer Backup	
<b>E. Disclosures.....</b>	<b>0-1</b>
1. Flood exclusion	
<i>Ref: 38.2-2125</i>	

## TITLE INSURANCE CONTENT OUTLINE

### Product Knowledge, Terms, and Concepts State Statutes, Rules and Regulations

(75 scoreable questions, plus 10 pretest questions)

<b>I. TITLE INSURANCE TERMS AND CONCEPTS.....</b>	<b>15</b>
<b>A. Commitment</b>	
<b>B. Policy</b>	
<b>C. Exception</b>	
<b>D. Requirement</b>	
<b>E. Endorsement</b>	
<b>F. Insurer/Underwriter</b>	
<b>G. Chain of Title</b>	

H. Closing and Settlement	
I. Title Agent	
J. Search and Examination	
K. Premium rates	
L. Closing Protection Letters	
<b>II. TITLE INSURANCE POLICIES</b> .....	<b>13</b>
<b>A. Types of Policies</b>	
1. Owners	
a. ALTA Forms	
2. Loan	
3. Construction Loan	
<b>B. Policy Provisions</b>	
1. Covered risks	
2. Terms and Conditions	
3. Exclusions	
<b>C. Endorsements</b>	
<b>III. REAL ESTATE OWNERSHIP</b> .....	<b>9</b>
<b>A. Joint Tenancy</b>	
<b>B. Tenants In Common</b>	
<b>C. Fee Simple</b>	
<b>D. Life Estate</b>	
<b>E. Leasehold</b>	
<b>F. Legal Entities</b>	
<b>IV. RIGHTS AND INTERESTS</b> .....	<b>10</b>
<b>A. Easement and Right of Way</b>	
<b>B. Access</b>	
<b>C. Liens</b>	
1. Voluntary	
2. Involuntary	
3. Attachment of liens and judgments	
4. Statute of Limitations	
<b>D. Covenants, Conditions, and Restrictions</b>	
<b>E. Adverse possession</b>	
<b>V. LEGAL DESCRIPTIONS</b> .....	<b>3</b>
<b>A. Platted and Unplatted</b>	
<b>B. Metes and Bounds</b>	
<b>C. Lot and Block</b>	
<b>VI. METHODS OF TRANSFER/CONVEYANCES</b> .....	<b>9</b>
<b>A. Warranty Deeds</b>	
<b>B. Quitclaim Deeds</b>	
<b>C. Mortgages</b>	
<b>D. Foreclosure</b>	
<b>E. Estate</b>	
<b>F. Assumption Deeds</b>	
<b>G. Financing Statements</b>	
<b>H. Powers of Attorney</b>	
<b>VII. VIRGINIA STATUTES AND REGULATIONS COMMON TO ALL LINES OF INSURANCE</b> .....	<b>8</b>
<b>A. State Corporation Commission / Commissioner of Insurance</b>	
1. General powers	
<i>Ref: 38.2- 200</i>	
2. Examinations	
<i>Ref: 38.2-515, 1317, 1809(A)</i>	
3. Cease and desist order	
<i>Ref: 38.2-219</i>	

4. Penalties	
<i>Ref: 38.2-218, 1823; 1831</i>	
<b>B. License and registration</b>	
1. Title agent	
<i>Ref: 38.2-1814.1, 1820, 1822,1836</i>	
2. Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833 to 1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833 to 1834.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A)(D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities and trust accounts</b>	
<i>Ref: 38.2-1813, 4601.1</i>	
<b>D. Commissions and compensation</b>	
<i>Ref: 38.2-1812</i>	
<b>E. Felony convictions/ administrative actions</b>	
<i>Ref: 38.2-1826(B)</i>	
<b>F. Marketing practices</b>	
1. Rebating	
<i>Ref: 38.2-509</i>	
2. Misrepresentation	
<i>Ref: 38.2-502, 512</i>	
3. Defamation	
<i>Ref: 38.2-504</i>	
4. False advertising	
<i>Ref: 38.2-503</i>	
5. Boycott, Coercion and intimidation	
<i>Ref: 38.2-505</i>	
6. Unfair discrimination	
<i>Ref:38.2-508</i>	
7. Illegal kickbacks and referrals	
<i>Ref: 38.2-4614, 38.2-1821.1 (B) 8</i>	
<b>G. Insurance Information and Privacy Protection</b>	
<i>Ref: 38.2-600 to 620</i>	
<b>H. Retention of Records</b>	
<i>Ref: 38.2-1809(B)</i>	
<b>VIII. VIRGINIA RULES AND STATUTES PERTINENT TO TITLE INSURANCE</b> .....	<b>8</b>
<b>A. Real Estate Settlement Agents*</b>	
<i>Ref: 6.1-2.19 to 2.29; 14 VAC 5-395-10 to 90</i>	
<b>B. Real Estate Settlement Protection Act</b>	
<i>Ref. 12USC Section 2600</i>	

\*Note: The name of VIII.A. has changed on October 1, 2010. This change does not affect the content of the exam questions.

## LIFE & HEALTH GENERAL KNOWLEDGE CONTENT OUTLINE

### I. TYPES OF LIFE POLICIES..... 12

#### A. Traditional whole life products

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Adjustable life

#### B. Interest/market-sensitive life products

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life
5. Equity-indexed life

#### C. Term life

1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
  - e. Increasing term
2. Special features
  - a. Renewable
  - b. Convertible

#### D. Annuities

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed

#### E. Combination plans and variations

1. Joint life
2. Survivorship life (second to die)

### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS ..... 19

#### A. Policy riders

1. Waiver of premium and waiver of premium with disability income
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds (e.g., spouse, children, nonfamily )
7. Long term care
8. Return of premium

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look

4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Changes
  - d. Common disaster
  - e. Minor beneficiaries
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders
10. Non-forfeiture options
11. Dividends and dividend options
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age and gender
16. Settlement options
17. Accelerated death benefits

#### C. Policy exclusions

### III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY ..... 11

#### A. Completing the application

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt
6. Replacement
7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
8. USA PATRIOT Act/anti-money laundering

#### B. Underwriting

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger-originated life insurance (STOLI)
6. Investor-originated life insurance (IOLI)

#### C. Delivering the policy

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

### IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS ..... 8

#### A. Third-party ownership

#### B. Group life insurance

1. Conversion privilege
2. Contributory vs. noncontributory

<b>C. Retirement plans</b>	
1. Tax-qualified plans	
2. Nonqualified plans	
<b>D. Life insurance needs analysis/suitability</b>	
1. Personal insurance needs	
2. Business insurance needs	
a. Key person	
<b>E. Social Security benefits and taxes</b>	
<b>F. Tax treatment of insurance premiums, proceeds, and dividends</b>	
1. Individual life	
2. Group life	
3. Modified Endowment Contracts (MECs)	
<b>V. TYPES OF HEALTH POLICIES..... 14</b>	
<b>A. Disability income</b>	
1. Individual disability income policy	
2. Business overhead expense policy	
3. Business disability buyout policy	
4. Group disability income policy	
5. Key employee/partner policies	
<b>B. Accidental death and dismemberment</b>	
<b>C. Medical expense insurance</b>	
1. Basic hospital, medical, and surgical policies	
2. Major medical policies	
3. Health Maintenance Organizations (HMOs)	
4. Preferred Provider Organizations (PPOs)	
5. Point of Service (POS) plans	
6. Flexible Spending Accounts (FSAs)	
7. Health Reimbursement Accounts (HRAs)	
8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)	
9. Stop loss	
<b>D. Medicare supplement policies</b>	
<b>E. Group insurance</b>	
1. Group conversion	
2. Differences between individual and group contracts	
3. General concepts	
4. COBRA	
5. HIPAA	
<b>F. Long Term Care (LTC)</b>	
1. Individual LTC contracts	
2. Group/voluntary LTC contracts	
<b>G. Limited Benefit Plans</b>	
1. Cancer (or specified diseases) plans	
2. Critical illness plans	
3. Worksite (employer-sponsored) plans	
4. Hospital indemnity plans	
5. Dental	
6. Vision	
<b>VI. POLICY PROVISIONS, CLAUSES, AND RIDERS ..... 20</b>	
<b>A. Mandatory provisions</b>	
1. Entire contract	
2. Time limit on certain defenses (incontestable)	
3. Grace period	
4. Reinstatement	
5. Notice of claim	
6. Claim forms	
7. Proof of loss	
8. Time of payment of claims	
9. Payment of claims	
10. Physical examination and autopsy	
11. Legal actions	
12. Change of beneficiary	
13. Misstatement of age	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>VII. SOCIAL INSURANCE ..... 3</b>	
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>VIII. OTHER INSURANCE CONCEPTS ..... 4</b>	
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	
<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	

<b>IX. FIELD UNDERWRITING PROCEDURES.....</b>	<b>9</b>
<b>A. Completing application and obtaining necessary signatures</b>	
<b>B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)</b>	
<b>C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)</b>	
<b>D. Submitting application (and initial premium if collected) to company for underwriting</b>	
<b>E. Ensuring delivery of policy and related documents to client</b>	
<b>F. Explaining policy and its provisions, riders, exclusions, and ratings to clients</b>	
<b>G. Replacement</b>	
<b>H. Contract law</b>	
1. Elements of a contract	
2. Insurable interest	
3. Warranties and representations	
4. Unique aspects of the health contract	
a. Conditional	
b. Unilateral	
c. Adhesion	

2. Agent Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833-1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833-34.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A) (D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities .....</b>	<b>0-2</b>
<i>Ref: 38.2-1813</i>	
<b>D. Commissions and compensation.....</b>	<b>1-3</b>
<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E. Felony convictions/ administrative actions .....</b>	<b>0-2</b>
<i>Ref: 38.2-1826(B)</i>	
<b>F. Record Retention .....</b>	<b>1-3</b>
<i>Ref: 38-2-1809B</i>	
<b>G. Marketing practices .....</b>	<b>5-7</b>
1. Rebating	
<i>Ref: 38.2-509</i>	
2. Misrepresentation	
<i>Ref: 38.2-502, 512</i>	
3. Defamation	
<i>Ref: 38.2-504</i>	
4. False advertising	
<i>Ref: 38.2-503</i>	
5. Boycott, Coercion and intimidation	
<i>Ref: 38.2-505</i>	
6. Unfair discrimination	
<i>Ref: 38.2-508</i>	
7. Twisting	
<i>Ref: 38.2-1831(5)</i>	
<b>H. Virginia Insurance Guaranty Association.....</b>	<b>0-1</b>
<i>Ref: 38.2-1700, 1715</i>	
<b>I. Insurance Information and Privacy Protection ....</b>	<b>0-1</b>
<i>Ref: 38.2-600 to 620</i>	
1. Adverse Underwriting Decisions	
<b>II. VIRGINIA STATUTES AND REQUIREMENTS PERTINENT TO LIFE INSURANCE ONLY .....</b>	<b>7</b>
<b>A. Life Insurance and Annuity Marketing Practices</b>	
<i>Ref: 14 VAC 5-41-10 to 160</i>	
1. Purpose	
2. Definitions	
3. Agents' responsibilities	
4. Insurer's responsibilities	
<b>B. Suitability in Annuity Transactions</b>	
<i>Ref: 14 VAC 5-45-10</i>	
<b>C. Replacement</b>	
<i>Ref: 14 VAC 5-30- 10 to 70</i>	
1. Purpose	
2. Definitions	

**LIFE & HEALTH  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

(40 scoreable questions plus 5 pretest questions)

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

<b>I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE .....</b>	<b>23</b>
<b>A. State Corporation Commission/ Commissioner of Insurance.....</b>	<b>2-4</b>
1. General powers	
<i>Ref: 38.2-200</i>	
2. Rules and regulations, orders	
<i>Ref: 38.2-223</i>	
3. Examinations	
<i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties	
<i>Ref: 38.2-218, 219, 1823; 1831</i>	
<b>B. Agent Licensing.....</b>	<b>6-8</b>
1. Types of Licenses	
a. Insurance agent	
<i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	
<i>Ref: 38.2-1837-1839</i>	
c. Business entities	
<i>Ref: 38.2-1820, 1822 (C, E)</i>	
d. Temporary insurance agents	
<i>Ref: 38.2-1830</i>	
e. Exceptions	
<i>Ref: 38.2-1821.1, 1822</i>	

# PROPERTY & CASUALTY GENERAL KNOWLEDGE

## CONTENT OUTLINE

3. Exemptions  
4. Duties of agent  
5. Duties of replacing insurance company

**D. Accelerated benefits**  
*Ref: 38.2-3115.1; 14 VAC 5-70*

**E. Group Life**  
*Ref: 38.2-3318.1*  
1. Eligible groups  
2. Conversion  
*Ref: 38.2-3332 through 3334*

**F. Policy Loans**  
*Ref: 38.2-3308*

**G. Viatical Settlements**  
1. Purpose  
*Ref: 14 VAC 5-71-10*  
2. Broker authority and licensing  
*Ref: 38.2-1865.1, 38.2-6001, 14 VAC 5-71-40*  
3. Disclosure  
*Ref: 38.2-6005, 6007, 14 VAC 5-71-35*  
4. General rules and prohibited practices  
*Ref: 38.2-6008, 6009; 14 VAC 5-71-90 and 92*

**H. Military Sales**  
*Ref: 14 VAC 5-420-10 to 20*

**III. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO HEALTH INSURANCE ONLY ..... 10**

**A. Medicare supplements**  
*Ref: 38.2-3600 through 38.2-3609; 14 VAC 5-170-10 to 210*

**B. Long term care**  
*Ref: 38.2-5200-5210; 14 VAC 5-200-10-210*  
1. Long Term Care Partnership  
*Ref: 14 VAC 5-200-205*

**C. Advertising**  
*Ref: 14 VAC 5-90-10 to 180 ; 14 VAC 5-43-10 to 30*

**D. Minimum standards for Individual Policies**  
*Ref: § 38.2-3516,*  
1. Purpose  
*Ref: 38.2-3516*  
2. Disclosure  
*Ref: 14 VAC 5-140-80*  
3. Replacement  
*Ref: 14 VAC 5-140-90*

**E. Health Insurance Portability and Accountability Act (HIPAA)**  
*Ref: 38.2-3430.1 to 38.2-3430.9, 38.2-3432.1 to 38.2-3432.3*

**F. Group Insurance**  
1. Conversion  
*Ref: 38.2-3416, 3541*

**G. Defined groups**  
*Ref: 38.2-3521.1*

**H. Health Maintenance Organizations (HMOs)**  
*Ref: 38.2-4300 to 38.2-4323; 14 VAC 5-211-10 to 280*

**I. Small employer**  
*Ref: 38.2-3431 to 38.2-3437; 14 VAC 5-234-10 to 100*

**J. Virginia Family Access to Medical Insurance Security Plan (FAMIS)**  
*Ref: 32.1-351 to 32.1-353*

**I. TYPES OF POLICIES .....25**

**A. Homeowners**  
1. HO-2  
2. HO-3  
3. HO-4  
4. HO-5  
5. HO-6  
6. HO-8

**B. Dwelling policies**  
1. DP-1  
2. DP-2  
3. DP-3

**C. Commercial lines**  
1. Commercial Package Policy (CPP)  
2. Commercial property  
    a. Commercial building and business personal property form  
    b. Causes of loss forms  
    c. Business income  
    d. Extra expense  
3. Business Owners Policy (BOP)  
4. Builders Risk

**D. Inland marine**  
1. Personal Articles floaters  
2. Commercial Property floaters  
3. Nationwide Definition

**E. National Flood Insurance Program**

**F. Others**  
1. Earthquake  
2. Mobile Homes  
3. Watercraft  
4. Farm Owners  
5. Crop/hail  
6. Windstorm

**II. INSURANCE TERMS AND RELATED CONCEPTS ..... 14**

**A. Insurance**  
1. Law of Large Numbers

**B. Insurable interest**

**C. Risk**  
1. Pure vs. Speculative Risk

**D. Hazard**  
1. Moral  
2. Morale  
3. Physical

**E. Peril**

**F. Loss**  
1. Direct  
2. Indirect

**G. Loss Valuation**  
1. Actual cash value  
2. Replacement cost  
3. Market value

- 4. Stated value
  - 5. Salvage value
  - H. Proximate cause**
  - I. Deductible**
  - J. Indemnity**
  - K. Limits of liability**
  - L. Coinsurance/Insurance to value**
  - M. Occurrence**
  - N. Cancellation**
  - O. Nonrenewal**
  - P. Vacancy and unoccupancy**
  - Q. Liability**
    - 1. Absolute
    - 2. Strict
    - 3. Vicarious
  - R. Negligence**
  - S. Binder**
  - T. Endorsements**
  - U. Medical Payments**
  - V. Blanket vs. Specific**
  - W. Burglary, Robbery, Theft, and Mysterious Disappearance**
- III. POLICY PROVISIONS AND CONTRACT LAW ..... 11**
- A. Declarations**
  - B. Insuring agreement**
  - C. Conditions**
  - D. Exclusions**
  - E. Definition of the insured**
  - F. Duties of the insured**
  - G. Obligations of the insurance company**
  - H. Mortgagee rights**
  - I. Proof of loss**
  - J. Notice of claim**
  - K. Appraisal**
  - L. Other Insurance Provision**
  - M. Assignment**
  - N. Subrogation**
  - O. Elements of a contract**
  - P. Warranties, representations, and concealment**
  - Q. Sources of underwriting information**
  - R. Fair Credit Reporting Act**
  - S. Privacy Protection (Gramm Leach Bliley)**
  - T. Policy Application**
  - U. Terrorism Risk Insurance Act (TRIA)**

- IV. TYPES OF POLICIES, BONDS, AND RELATED TERMS ..... 23**
- A. Commercial general liability**
    - 1. Exposures
      - a. Premises and Operations
      - b. Products and Completed Operations
    - 2. Coverage
      - a. Coverage A: Bodily Injury and Property Damage Liability
        - (1) Occurrence
        - (2) Claims made

- (a) Extended Reporting Periods: Basic and Supplemental
  - (b) Retroactive Date
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments
  - d. Supplemental Payments
  - e. Who is an insured
  - f. Limits
  - g. Damage to Property of Others
    - (1) Per occurrence
    - (2) Annual Aggregate
- B. Automobile: personal auto and business auto**
- 1. Liability
    - a. Bodily Injury
    - b. Property Damage
    - c. Split Limits
    - d. Combined Single Limit
  - 2. Medical Payments
  - 3. Physical Damage (collision; other than collision; specified perils)
  - 4. Uninsured motorists
  - 5. Underinsured motorists
  - 6. Who is an insured
  - 7. Types of Auto
    - a. Owned
    - b. Non-owned
    - c. Hired
    - d. Temporary Substitute
  - e. Newly Acquired Autos
  - f. Transportation Expense and Rental Reimbursement Expense
  - 8. Garage Coverage Form, including Garagekeepers Insurance
  - 9. Exclusions
  - 10. Individual Insured and Drive Other Car (DOC)
- C. Workers Compensation Insurance, Employers Liability Insurance, and Related Issues**
- (This section does not deal with specifics of state law, which are addressed elsewhere in this outline.)
- 1. Standard policy concepts
    - a. Who is an employee/employer
    - b. Compensation
      - (1) Loss of wages
      - (2) Medical
      - (3) Disability
      - (4) Vocational Rehabilitation
      - (5) Death/Survivor
  - 2. Work-related vs. non-work-related
  - 3. Other states' insurance
  - 4. Employers Liability
  - 5. Exclusive remedy
  - 6. Premium Determination
- D. Crime**
- 1. Employee Dishonesty
  - 2. Theft
  - 3. Robbery
  - 4. Burglary
  - 5. Forgery and Alteration

- E. Bonds**
  - 1. Surety
  - 2. Fidelity
- F. Professional liability**
  - 1. Errors and Omissions
  - 2. Medical Malpractice
  - 3. Directors and Officers (D&O)
  - 4. Employment Practices Liability (EPLI)
- G. Umbrella/Excess Liability**
- V. INSURANCE TERMS AND RELATED CONCEPTS ..... 15**
  - A. Risk**
  - B. Hazards**
    - 1. Moral
    - 2. Morale
    - 3. Physical
  - C. Indemnity**
  - D. Insurable interest**
  - E. Actual cash value**
  - F. Negligence**
  - G. Liability**
  - H. Occurrence**
    - I. Binders**
    - J. Warranties**
  - K. Representations**
  - L. Concealment**
  - M. Deposit Premium/Audit**
  - N. Certificate of Insurance**
  - O. Law of Large Numbers**
  - P. Pure vs. Speculative Risk**
  - Q. Endorsements**
  - R. Damages**
    - 1. Compensatory
      - a. General
      - b. Special
    - 2. Punitive
  - S. Compliance with provisions of Fair Credit Reporting Act**
- VI. POLICY PROVISIONS ..... 12**
  - A. Declarations**
  - B. Insuring agreement**
  - C. Conditions**
  - D. Exclusions and Limitations**
  - E. Definition of the insured**
  - F. Duties of the insured after a loss**
  - G. Cancellation and nonrenewal provisions**
  - H. Additional (supplementary) payments**
    - I. Proof of loss**
    - J. Notice of claim**
  - K. Arbitration**
  - L. Other insurance**
  - M. Subrogation**
  - N. Loss settlement provisions including consent to settle a loss**
  - O. Terrorism Risk Insurance Act (TRIA)**

**PROPERTY & CASUALTY  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(35 scoreable questions plus 5 pretest questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

- I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE..... 25**
  - A. State Corporation Commission/ Commissioner of Insurance ..... 2-4**
    - 1. General powers  
*Ref: 38.2-200*
    - 2. Rules and regulations, orders  
*Ref: 38.2-223*
    - 3. Examinations  
*Ref: 38.2-515, 1317, 1809A*
    - 4. Penalties  
*Ref: 38.2-218, 219, 1823, 1831*
  - B. Agent Licensing..... 4-6**
    - 1. Types of Licenses
      - a. Insurance agent  
*Ref: 38.2-1800.1, 1820, 1822(A),(B)*
      - b. Consultant  
*Ref: 38.2-1837-1839*
      - c. Business entities  
*Ref: 38.2-1820, 1822 (C, E)*
      - d. Temporary insurance agents  
*Ref: 38.2-1830*
      - e. Exceptions  
*Ref: 38.2-1821.1, 1822*
    - 2. Agent Appointment
      - a. Agent appointment  
*Ref: 38.2-1825, 1833*
      - b. Cancellation of appointment  
*Ref: 38.2-1833, 1834.1*
      - c. Termination notification  
*Ref: 38.2-1825, 1833, 1834.1*
    - 3. Maintaining a license
      - a. Continuing education  
*Ref: 38.2-1866, 1868.1 to 1871*
      - b. Change of address  
*Ref: 38.2-1826(A) (D)*
      - c. Appointment renewal  
*Ref: 38.2-1834*
    - 4. License suspension, revocation or denial  
*Ref: 38.2-1821, 1831, 1832*
  - C. Fiduciary responsibilities ..... 2-4**  
*Ref: 38.2-1813*
  - D. Commissions and compensation..... 1-3**  
*Ref: 38.2-310, 1812, 1812.2*
  - E. Felony convictions/ administrative actions ..... 0-2**  
*Ref: 38.2-1826(B) (C)*
  - F. Record Retention.. ..... 1-3**

Ref: 38-2-1809B

**G. Marketing practices ..... 5-7**

1. Rebating  
Ref: 38.2-509
2. Misrepresentation  
Ref: 38.2-502, 512
3. Defamation  
Ref: 38.2-504
4. False advertising  
Ref: 38.2-503
5. Boycott, Coercion and intimidation  
Ref: 38.2-505
6. Unfair discrimination  
Ref: 38.2-508
7. Twisting  
Ref: 38.2-1831(5)

**H. Virginia Insurance Guaranty Association ..... 0-1**

Ref: 38.2-1600

**I. Insurance Information and Privacy Protection .... 0-1**

Ref: 38.2-600 to 620

1. Adverse Underwriting Decisions

**II. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO PROPERTY INSURANCE ONLY ..... 3**

**A. Virginia Property Insurance Association (FAIR Plan)**

Ref: 38.2-2700 to 2702

1. Purpose
2. Definition
3. Establishment

**B. Renewal, nonrenewal, and cancellation**

Ref: 38.2-2113, 2114, 38.2-2105

**C. Optional coverages**

Ref: 38.2-2120, 2124

1. Ordinance or law
2. Water Sewer Backup

**D. Disclosures**

1. Flood exclusion  
Ref: 38.2-2118, 2125

**III. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO CASUALTY INSURANCE ONLY ..... 7**

**A. Auto ..... 3-5**

1. Uninsured/Underinsured motorists coverage  
Ref: 38.2-2206; 46.2-472; 38.2-2202
2. Virginia Automobile Insurance Plan (assigned risk)  
Ref: 46.2-464 to 471
  - a. Insurance company's participation
  - b. Insured's participation
3. Financial responsibility  
Ref: 46.2-472; 46.2-316 (C)
4. Omnibus Clause  
Ref: 38.2-2204
5. Medical Expense/Loss of Income Protection  
Ref: 38.2-2201, 2202
6. Rental Reimbursement Coverage  
Ref: 38.2-2230

**B. Renewal, nonrenewal, and cancellation ..... 1-3**

Ref: 38.2-231, 610, 612, 2208, 2105, 2113, 2212-2114, 2126

(F)(G), 2234

**C. Workers Compensation ..... 0-2**

1. Employment covered  
Ref: 65.2-101, 300
2. Virginia Workers' Compensation Plan  
Ref: 65.2-820

## LIFE

### GENERAL KNOWLEDGE

#### CONTENT OUTLINE

(50 scoreable questions plus 10 pretest questions)

**I. TYPES OF POLICIES ..... 12**

**A. Traditional whole life products**

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Adjustable life

**B. Interest/market-sensitive life products**

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life
5. Equity-indexed life

**C. Term life**

1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
  - e. Increasing term
2. Special features
  - a. Renewable
  - b. Convertible

**D. Annuities**

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed

**E. Combination plans and variations**

1. Joint life
2. Survivorship life (second to die)

**II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS ..... 19**

**A. Policy riders**

1. Waiver of premium and waiver of premium with disability income
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds (e.g., spouse, children, nonfamily )
7. Long term care
8. Return of premium

**B. Policy provisions and options**

1. Entire contract
2. Insuring clause

3. Free look
4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Changes
  - d. Common disaster
  - e. Minor beneficiaries
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders
10. Non-forfeiture options
11. Dividends and dividend options
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age and gender
16. Settlement options
17. Accelerated death benefits

**C. Policy exclusions**

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY ..... 11**

**A. Completing the application**

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt
6. Replacement
7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
8. USA PATRIOT Act/anti-money laundering

**B. Underwriting**

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger-originated life insurance (STOLI)
6. Investor-originated life insurance (IOLI)

**C. Delivering the policy**

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

**IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS ..... 8**

**A. Third-party ownership**

**B. Group life insurance**

1. Conversion privilege
2. Contributory vs. noncontributory

**C. Retirement plans**

1. Tax-qualified plans
2. Nonqualified plans

**D. Life insurance needs analysis/suitability**

1. Personal insurance needs

2. Business insurance needs

- a. Key person

**E. Social Security benefits and taxes**

**F. Tax treatment of insurance premiums, proceeds, and dividends**

1. Individual life
2. Group life
3. Modified Endowment Contracts (MECs)

**LIFE  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(40 scoreable questions plus 5 pretest questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

**I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....25**

**A. State Corporation Commission/ Commissioner of Insurance .....2-4**

1. General powers  
*Ref: 38.2-200*
2. Rules and regulations, orders  
*Ref: 38.2-223*
3. Examinations  
*Ref: 38.2-515, 1317, 1809A*
4. Penalties  
*Ref: 38.2-218, 219, 1823; 1831*

**B. Agent Licensing .....6-8**

1. Types of Licenses
  - a. Insurance agent  
*Ref: 38.2-1800.1, 1820, 1822(A),(B)*
  - b. Consultant  
*Ref: 38.2-1837-1839*
  - c. Business entities  
*Ref: 38.2-1820, 1822 (C, E)*
  - d. Temporary insurance agents  
*Ref: 38.2-1830*
  - e. Exceptions  
*Ref: 38.2-1821.1, 1822*
2. Agent Appointment
  - a. Agent appointment  
*Ref: 38.2-1825, 1833*
  - b. Cancellation of appointment  
*Ref: 38.2-1833-1834.1*
  - c. Termination notification  
*Ref: 38.2-1825, 1833-1834.1*
3. Maintaining a license
  - a. Continuing education  
*Ref: 38.2-1866, 1868.1 to 1871*
  - b. Change of address  
*Ref: 38.2-1826(A)(D)*
  - c. Appointment renewal

*Ref: 38.2-1834*

4. License suspension, revocation or denial  
*Ref: 38.2-1821, 1831, 1832*

**C. Fiduciary responsibilities ..... 0-2**  
*Ref: 38.2-1813*

**D. Commissions and compensation ..... 1-3**  
*Ref: 38.2-310, 1812, 1812.2*

**E. Felony convictions/ administrative actions ..... 0-2**  
*Ref: 38.2-1826(B)(C)*

**F. Record Retention..... 1-3**  
*Ref: 38.2-1809B*

**G. Marketing practices ..... 6-8**

1. Rebating  
*Ref: 38.2-509*

2. Misrepresentation  
*Ref: 38.2-502, 512*

3. Defamation  
*Ref: 38.2-504*

4. False advertising  
*Ref: 38.2-503*

5. Boycott, Coercion and intimidation  
*Ref: 38.2-505*

6. Unfair discrimination  
*Ref: 38.2-508*

7. Twisting  
*Ref: 38.2-1831(5)*

**H. Virginia Insurance Guaranty Association ..... 0-1**  
*Ref: 38.2-1700, 1715*

**I. Insurance Information and Privacy Protection .... 0-2**  
*Ref: 38.2-600 to 620*

1. *Adverse Underwriting Decisions*

**II. VIRGINIA STATUTES AND REQUIREMENTS PERTINENT TO LIFE INSURANCE ONLY ..... 15**

**A. Life Insurance and Annuity Marketing Practices..... 2-4**  
*Ref: 14 VAC 5-40-10 to 60*

1. Purpose

2. Definitions

3. Agents' responsibilities

4. Insurer's responsibilities

**B. Suitability in Annuity Transactions ..... 1-3**  
*Ref: 14 VAC 5-45-10*

**C. Replacement ..... 2-4**  
*Ref: 14 VAC 5-30- 10 to 70*

1. Purpose

2. Definitions

3. Exemptions

4. Duties of agent

5. Duties of replacing insurance company

**D. Accelerated benefits ..... 0-2**  
*Ref: 38.2-3115.1; 14 VAC 5-70*

**E. Group Life..... 1-3**  
*Ref: 38.2-3318.1*

1. Eligible groups

2. Conversion  
*Ref: 38.2-3332 through 38.2-3334*

**F. Policy Loans ..... 0-2**  
*Ref: 38.2-3308*

**G. Viatical Settlements .....0-2**

1. Purpose  
*Ref: 14 VAC 5-71-10*

2. Broker authority and licensing  
*Ref: 38.2-1865.1, 38.2-6001, 14 VAC 5-71-40*

3. Disclosure  
*Ref: 14 VAC 5-71-35, 38.2-6005, 6007*

4. General rules and prohibited practices  
*Ref: 38.2-6008, 6009; 14 VAC 5-71-90 and 92*

**H. Military Sales .....0-2**  
*Ref: 14VAC5-420-10 to 20*

**HEALTH  
GENERAL KNOWLEDGE  
CONTENT OUTLINE**

*(50 scoreable questions plus 10 pretest questions)*

**I. TYPES OF POLICIES ..... 14**

**A. Disability income**

1. Individual disability income policy

2. Business overhead expense policy

3. Business disability buyout policy

4. Group disability income policy

5. Key employee/partner policies

**B. Accidental death and dismemberment**

**C. Medical expense insurance**

1. Basic hospital, medical, and surgical policies

2. Major medical policies

3. Health Maintenance Organizations (HMOs)

4. Preferred Provider Organizations (PPOs)

5. Point of Service (POS) plans

6. Flexible Spending Accounts (FSAs)

7. Health Reimbursement Accounts (HRAs)

8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)

9. Stop loss

**D. Medicare supplement policies**

**E. Group insurance**

1. Group conversion

2. Differences between individual and group contracts

3. General concepts

4. COBRA

5. HIPAA

**F. Long Term Care (LTC)**

1. Individual LTC contracts

2. Group/voluntary LTC contracts

**G. Limited Benefit Plans**

1. Cancer (or specified diseases) plans

2. Critical illness plans

3. Worksite (employer-sponsored) plans

4. Hospital indemnity plans

5. Dental

6. Vision

**II. POLICY PROVISIONS, CLAUSES, AND RIDERS ..... 20**

**A. Mandatory provisions**

1. Entire contract

2. Time limit on certain defenses (incontestable)	
3. Grace period	
4. Reinstatement	
5. Notice of claim	
6. Claim forms	
7. Proof of loss	
8. Time of payment of claims	
9. Payment of claims	
10. Physical examination and autopsy	
11. Legal actions	
12. Change of beneficiary	
13. Misstatement of age	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>III. SOCIAL INSURANCE ..... 3</b>	
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>IV. OTHER INSURANCE CONCEPTS..... 4</b>	
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	

<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	
<b>V. FIELD UNDERWRITING PROCEDURES .....9</b>	
<b>A. Completing application and obtaining necessary signatures</b>	
<b>B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)</b>	
<b>C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)</b>	
<b>D. Submitting application (and initial premium if collected) to company for underwriting</b>	
<b>E. Ensuring delivery of policy and related documents to client</b>	
<b>F. Explaining policy and its provisions, riders, exclusions, and ratings to clients</b>	
<b>G. Replacement</b>	
<b>H. Contract law</b>	
1. Elements of a contract	
2. Insurable interest	
3. Warranties and representations	
4. Unique aspects of the health contract	
a. Conditional	
b. Unilateral	
c. Adhesion	

## HEALTH VIRGINIA SPECIFIC CONTENT OUTLINE

**State Statutes, Rules and Regulations**  
*(40 scoreable questions plus 5 pretest questions)*  
*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

<b>I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....25</b>	
<b>A. State Corporation Commission/ Commissioner of Insurance .....2-4</b>	
1. General powers <i>Ref: 38.2-200</i>	
2. Rules and regulations, orders <i>Ref: 38.2-223</i>	
3. Examinations <i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties <i>Ref: 38.2-218, 219, 1823; 1831</i>	
<b>B. Agent Licensing .....6-8</b>	
1. Types of Licenses	
a. Insurance agent <i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	

	<i>Ref: 38.2-1837-1839</i>	
c.	Business entities	
	<i>Ref: 38.2-1820, 1822 (C, E)</i>	
d.	Temporary insurance agents	
	<i>Ref: 38.2-1830</i>	
e.	Exceptions	
	<i>Ref: 38.2-1821.1, 1822</i>	
2.	Agent Appointment	
a.	Agent appointment	
	<i>Ref: 38.2-1825, 1833</i>	
b.	Cancellation of appointment	
	<i>Ref: 38.2-1833-1834.1</i>	
c.	Termination notification	
	<i>Ref: 38.2-1825, 1833-1834.1</i>	
3.	Maintaining a license	
a.	Continuing education	
	<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b.	Change of address	
	<i>Ref: 38.2-1826(A)(D)</i>	
c.	Appointment renewal	
	<i>Ref: 38.2-1834</i>	
4.	License suspension, revocation or denial	
	<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C.</b>	<b>Fiduciary responsibilities</b> .....	<b>0-2</b>
	<i>Ref: 38.2-1813</i>	
<b>D.</b>	<b>Commissions and compensation</b> .....	<b>1-3</b>
	<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E.</b>	<b>Felony convictions/ administrative actions</b> .....	<b>0-2</b>
	<i>Ref: 38.2-1826(B)</i>	
<b>F.</b>	<b>Record Retention</b> .....	<b>1-3</b>
	<i>Ref: 38.2-1809B</i>	
<b>G.</b>	<b>Marketing practices</b> .....	<b>6-8</b>
1.	Rebating	
	<i>Ref: 38.2-509</i>	
2.	Misrepresentation	
	<i>Ref: 38.2-502, 512</i>	
3.	Defamation	
	<i>Ref: 38.2-504</i>	
4.	False advertising	
	<i>Ref: 38.2-503</i>	
5.	Boycott, Coercion and intimidation	
	<i>Ref: 38.2-505</i>	
6.	Unfair discrimination	
	<i>Ref: 38.2-508</i>	
7.	Twisting	
	<i>Ref: 38.2-1831(5)</i>	
<b>H.</b>	<b>Virginia Insurance Guaranty Association</b> .....	<b>0-1</b>
	<i>Ref: 38.2-1700, 1715</i>	
<b>I.</b>	<b>Insurance Information and Privacy Protection</b> ....	<b>0-2</b>
	<i>Ref: 38.2-600 to 620</i>	
1.	Adverse Underwriting Decisions	
<b>II.</b>	<b>VIRGINIA STATUTES AND REGULATIONS PERTINENT TO HEALTH INSURANCE ONLY</b> .....	<b>15</b>
<b>A.</b>	<b>Medicare supplements</b> .....	<b>1-3</b>
	<i>Ref: 38.2-3600 through 3609; 14 VAC 5-170-10 to 210</i>	
<b>B.</b>	<b>Long term care</b> .....	<b>1-3</b>
	<i>Ref: 38.2-5200-5210; 14 VAC 5-200-10-210</i>	
1.	Long Term Care Partnership	

	<i>Ref: 14 VAC 5-200-205</i>	
<b>C.</b>	<b>Advertising</b> .....	<b>1-3</b>
	<i>Ref: 14 VAC 5-90-10 to 180; 14 VAC 5-43-10 to 30</i>	
<b>D.</b>	<b>Minimum standards for Individual Policies</b> .....	<b>0-2</b>
	<i>Ref: § 38.2-3516,</i>	
1.	Purpose	
	<i>§ 38.2-3516</i>	
2.	Disclosure	
	<i>Ref: 14 VAC 5-140-80</i>	
3.	Replacement	
	<i>Ref: 14 VAC 5-140-90</i>	
<b>E.</b>	<b>Health Insurance Portability and Accountability Act (HIPAA)</b> .....	<b>0-2</b>
	<i>Ref: 38.2-3430.1 to 38.2-3430.9, 38.2-3432.1 to 38.2-3432.3</i>	
<b>F.</b>	<b>Group Insurance</b> .....	<b>1-3</b>
1.	Conversion	
	<i>Ref: 38.2-3416, 3541</i>	
<b>G.</b>	<b>Defined groups</b> .....	<b>0-2</b>
	<i>Ref: 38.2-3521.1</i>	
<b>H.</b>	<b>Health Maintenance Organizations (HMOs)</b> .....	<b>0-2</b>
	<i>Ref: 38.2-4300 to 38.2-4323; 14 VAC 5-211-10 to 280</i>	
<b>I.</b>	<b>Small employer</b> .....	<b>0-2</b>
	<i>Ref: 38.2-3431 to 38.2-3437; 14 VAC 5-234-10 to 100</i>	
<b>J.</b>	<b>Virginia Family Access to Medical Insurance Security Plan (FAMIS)</b> .....	<b>0-2</b>
	<i>Ref: 32.1-351 to 32.1-353</i>	

**PERSONAL LINES  
GENERAL KNOWLEDGE  
CONTENT OUTLINE**

*(75 scoreable questions plus 11 pretest questions)*

<b>I.</b>	<b>TYPES OF PROPERTY POLICIES</b> .....	<b>10</b>
<b>A.</b>	<b>Homeowners</b>	
1.	HO-2	
2.	HO-3	
3.	HO-4	
4.	HO-5	
5.	HO-6	
6.	HO-8	
<b>B.</b>	<b>Dwelling policies</b>	
1.	DP-1	
2.	DP-2	
3.	DP-3	
<b>C.</b>	<b>Inland marine</b>	
1.	Personal Articles floaters	
2.	Nationwide Definition	
<b>D.</b>	<b>National Flood Insurance Program</b>	
<b>E.</b>	<b>Others</b>	
1.	Earthquake	
2.	Mobile Homes	
3.	Watercraft	
4.	Crop/hail	
5.	Windstorm	
<b>II.</b>	<b>TYPES OF CASUALTY POLICIES</b> .....	<b>13</b>
<b>A.</b>	<b>Automobile: personal auto</b>	

1. Liability	
a. Bodily Injury	
b. Property Damage	
c. Split Limits	
d. Combined Single Limit	
2. Medical Payments	
3. Physical Damage (collision; other than collision; specified perils)	
4. Uninsured motorists	
5. Underinsured motorists	
6. Who is an insured	
7. Types of Auto	
a. Owned	
b. Non-owned	
c. Hired	
d. Temporary Substitute	
e. Newly Acquired Autos	
f. Transportation Expense and Rental Reimbursement Expense	
8. Exclusions	
<b>B. Umbrella/Excess liability</b>	
<b>III. PROPERTY AND CASUALTY INSURANCE TERMS AND RELATED CONCEPTS ..... 28</b>	
<b>A. Insurance</b>	
1. Law of Large Numbers	
<b>B. Insurable interest</b>	
<b>C. Risk</b>	
1. Pure vs. Speculative Risk	
<b>D. Hazard</b>	
1. Moral	
2. Morale	
3. Physical	
<b>E. Peril</b>	
<b>F. Loss</b>	
1. Direct	
2. Indirect	
<b>G. Loss Valuation</b>	
1. Actual cash value	
2. Replacement cost	
3. Market value	
4. Stated value	
5. Salvage value	
<b>H. Proximate cause</b>	
<b>I. Deductible</b>	
<b>J. Indemnity</b>	
<b>K. Limits of liability</b>	
<b>L. Coinsurance/Insurance to value</b>	
<b>M. Occurrence</b>	
<b>N. Cancellation</b>	
<b>O. Nonrenewal</b>	
<b>P. Vacancy and unoccupancy</b>	
<b>Q. Liability</b>	
1. Absolute	
2. Strict	
3. Vicarious	
<b>R. Negligence</b>	
<b>S. Binder</b>	
<b>T. Endorsements</b>	

<b>U. Medical Payments</b>	
<b>V. Blanket vs. Specific</b>	
<b>W. Burglary, Robbery, Theft, and Mysterious Disappearance</b>	
<b>X. Warranties</b>	
<b>Y. Representations</b>	
<b>Z. Concealment</b>	
<b>AA. Deposit Premium/Audit</b>	
<b>BB. Certificate of Insurance</b>	
<b>CC. Damages</b>	
1. Compensatory	
a. General	
b. Special	
2. Punitive	
<b>DD. Compliance with Provisions of Fail Credit Reporting Act</b>	
<b>IV. PROPERTY AND CASUALTY POLICY PROVISIONS AND CONTRACT LAW .....24</b>	
<b>A. Declarations</b>	
<b>B. Insuring agreement</b>	
<b>C. Conditions</b>	
<b>D. Exclusions</b>	
<b>E. Definition of the insured</b>	
<b>F. Duties of the insured</b>	
<b>G. Obligations of the insurance company</b>	
<b>H. Mortgagee rights</b>	
<b>I. Proof of loss</b>	
<b>J. Notice of claim</b>	
<b>K. Appraisal</b>	
<b>L. Other Insurance Provision</b>	
<b>M. Assignment</b>	
<b>N. Subrogation</b>	
<b>O. Elements of a contract</b>	
<b>P. Warranties, representations, and concealment</b>	
<b>Q. Sources of underwriting information</b>	
<b>R. Fair Credit Reporting Act</b>	
<b>S. Privacy Protection (Gramm Leach Bliley)</b>	
<b>T. Policy Application</b>	
<b>U. Terrorism Risk Insurance Act (TRIA)</b>	
<b>V. Cancellation and nonrenewal provisions</b>	
<b>W. Additional (supplementary) payments</b>	
<b>X. Arbitration</b>	

**PERSONAL LINES  
VIRGINIA SPECIFIC  
CONTENT OUTLINE**

**State Statutes, Rules and Regulations**

*(32 scoreable questions)*

*Ref: All references are to sections in Title 38.2 unless otherwise indicated*

<b>I. VIRGINIA STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE.....25</b>	
<b>A. State Corporation Commission/ Commissioner of Insurance .....2-4</b>	

1. General powers	
<i>Ref: 38.2-200</i>	
2. Rules and regulations, orders	
<i>Ref: 38.2-223</i>	
3. Examinations	
<i>Ref: 38.2-515, 1317, 1809A</i>	
4. Penalties	
<i>Ref: 38.2-218, 219, 1823; 1831</i>	
<b>B. Agent Licensing.....</b>	<b>6-8</b>
1. Types of Licenses	
a. Insurance agent	
<i>Ref: 38.2-1800.1, 1820, 1822(A),(B)</i>	
b. Consultant	
<i>Ref: 38.2-1837-1839</i>	
c. Business entities	
<i>Ref: 38.2-1820, 1822 (C, E)</i>	
d. Temporary insurance agents	
<i>Ref: 38.2-1830</i>	
e. Exceptions	
<i>Ref: 38.2-1821.1, 1822</i>	
2. Agent Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833-1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833-34.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A)(D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
<i>Ref: 38.2-1821, 1831, 1832</i>	
<b>C. Fiduciary responsibilities .....</b>	<b>2-4</b>
<i>Ref: 38.2-1813</i>	
<b>D. Commissions and compensation .....</b>	<b>1-3</b>
<i>Ref: 38.2-310, 1812, 1812.2</i>	
<b>E. Felony convictions/ administrative actions .....</b>	<b>0-2</b>
<i>Ref: 38.2-1826(B) (C)</i>	
<b>F. Record Retention.....</b>	<b>1-3</b>
<i>Ref: 38.2-1809B</i>	
<b>G. Marketing practices.....</b>	<b>5-7</b>
1. Rebating	
<i>Ref: 38.2-509</i>	
2. Misrepresentation	
<i>Ref: 38.2-502, 512</i>	
3. Defamation	
<i>Ref: 38.2-504</i>	
4. False advertising	
<i>Ref: 38.2-503</i>	
5. Boycott, Coercion and intimidation	
<i>Ref: 38.2-505</i>	
6. Unfair discrimination	
<i>Ref: 38.2-508</i>	
7. Twisting	

	<i>Ref: 38.2-1831(5)</i>
<b>H. Virginia Insurance Guaranty Association.....</b>	<b>0-1</b>
<i>Ref: 38.2-1600</i>	
<b>I. Insurance Information and Privacy Protection ....</b>	<b>0-1</b>
<i>Ref: 38.2-600 to 620</i>	
<b>J. Adverse Underwriting Decisions.....</b>	<b>0-1</b>
<i>Ref: 38.2-602, 610, 612</i>	
<b>II. VIRGINIA STATUTES AND REGULATIONS PERTINENT TO PERSONAL LINES INSURANCE ONLY .....</b>	<b>7</b>
<b>A. Virginia Property Insurance Association (FAIR Plan).....</b>	<b>0-2</b>
<i>Ref: 38.2-2700 to 2702</i>	
1. Purpose	
2. Definition	
3. Establishment	
<b>B. Auto .....</b>	<b>3-5</b>
1. Uninsured/Underinsured motorists coverage	
<i>Ref: 38.2-2206; 46.2-472; 38.2-2202</i>	
2. Virginia Automobile Insurance Plan (assigned risk)	
<i>Ref: 46.2-464 to 471</i>	
a. Insurance company's participation	
b. Insured's participation	
3. Financial responsibility	
<i>Ref: 46.2-472; 46.2-316 (C)</i>	
4. Omnibus Clause	
<i>Ref: 38.2-2204</i>	
5. Medical Expense/Loss of Income Protection	
<i>Ref: 38.2-2201, 2202</i>	
6. Rental Reimbursement Coverage	
<i>Ref: 38.2-2230</i>	
<b>C. Renewal, nonrenewal, and cancellation .....</b>	<b>1-3</b>
<i>Ref: 610, 612, 2208, 2105, 2113, 2212-2114, 2126 (F)(G), 2234</i>	
<b>D. Optional Property coverages .....</b>	<b>0-1</b>
<i>Ref: 38.2-2120, 2124</i>	
1. Ordinance or law	
2. Water Sewer Backup	
<b>E. Disclosures.....</b>	<b>0-1</b>
1. Flood exclusion	
<i>Ref: 38.2-2125</i>	

## TITLE INSURANCE CONTENT OUTLINE

**Product Knowledge, Terms, and Concepts  
State Statutes, Rules and Regulations**  
(75 scoreable questions, plus 10 pretest questions)

<b>I. TITLE INSURANCE TERMS AND CONCEPTS.....</b>	<b>15</b>
<b>A. Commitment</b>	
<b>B. Policy</b>	
<b>C. Exception</b>	
<b>D. Requirement</b>	
<b>E. Endorsement</b>	
<b>F. Insurer/Underwriter</b>	

G. Chain of Title	
H. Closing and Settlement	
I. Title Agent	
J. Search and Examination	
K. Premium rates	
L. Closing Protection Letters	
<b>II. TITLE INSURANCE POLICIES</b> .....	<b>13</b>
<b>A. Types of Policies</b>	
1. Owners	
a. ALTA Forms	
2. Loan	
3. Construction Loan	
<b>B. Policy Provisions</b>	
1. Covered risks	
2. Terms and Conditions	
3. Exclusions	
<b>C. Endorsements</b>	
<b>III. REAL ESTATE OWNERSHIP</b> .....	<b>9</b>
<b>A. Joint Tenancy</b>	
<b>B. Tenants In Common</b>	
<b>C. Fee Simple</b>	
<b>D. Life Estate</b>	
<b>E. Leasehold</b>	
<b>F. Legal Entities</b>	
<b>IV. RIGHTS AND INTERESTS</b> .....	<b>10</b>
<b>A. Easement and Right of Way</b>	
<b>B. Access</b>	
<b>C. Liens</b>	
1. Voluntary	
2. Involuntary	
3. Attachment of liens and judgments	
4. Statute of Limitations	
<b>D. Covenants, Conditions, and Restrictions</b>	
<b>E. Adverse possession</b>	
<b>V. LEGAL DESCRIPTIONS</b> .....	<b>3</b>
<b>A. Platted and Unplatted</b>	
<b>B. Metes and Bounds</b>	
<b>C. Lot and Block</b>	
<b>VI. METHODS OF TRANSFER/CONVEYANCES</b> .....	<b>9</b>
<b>A. Warranty Deeds</b>	
<b>B. Quitclaim Deeds</b>	
<b>C. Mortgages</b>	
<b>D. Foreclosure</b>	
<b>E. Estate</b>	
<b>F. Assumption Deeds</b>	
<b>G. Financing Statements</b>	
<b>H. Powers of Attorney</b>	
<b>VII. VIRGINIA STATUTES AND REGULATIONS COMMON TO ALL LINES OF INSURANCE</b> .....	<b>8</b>
<b>A. State Corporation Commission / Commissioner of Insurance</b>	
1. General powers	
<i>Ref: 38.2- 200</i>	
2. Examinations	
<i>Ref: 38.2-515, 1317, 1809(A)</i>	
3. Cease and desist order	

	<i>Ref: 38.2-219</i>
4. Penalties	
	<i>Ref: 38.2-218, 1823; 1831</i>
<b>B. License and registration</b>	
1. Title agent	
	<i>Ref: 38.2-1814.1, 1820, 1822,1836</i>
2. Appointment	
a. Agent appointment	
<i>Ref: 38.2-1825, 1833</i>	
b. Cancellation of appointment	
<i>Ref: 38.2-1833 to 1834.1</i>	
c. Termination notification	
<i>Ref: 38.2-1825, 1833 to 1834.1</i>	
3. Maintaining a license	
a. Continuing education	
<i>Ref: 38.2-1866, 1868.1 to 1871</i>	
b. Change of address	
<i>Ref: 38.2-1826(A)(D)</i>	
c. Appointment renewal	
<i>Ref: 38.2-1834</i>	
4. License suspension, revocation or denial	
	<i>Ref: 38.2-1821, 1831, 1832</i>
<b>C. Fiduciary responsibilities and trust accounts</b>	
	<i>Ref: 38.2-1813, 4601.1</i>
<b>D. Commissions and compensation</b>	
	<i>Ref: 38.2-1812</i>
<b>E. Felony convictions/ administrative actions</b>	
	<i>Ref: 38.2-1826(B)</i>
<b>F. Marketing practices</b>	
1. Rebating	
	<i>Ref: 38.2-509</i>
2. Misrepresentation	
	<i>Ref: 38.2-502, 512</i>
3. Defamation	
	<i>Ref: 38.2-504</i>
4. False advertising	
	<i>Ref: 38.2-503</i>
5. Boycott, Coercion and intimidation	
	<i>Ref: 38.2-505</i>
6. Unfair discrimination	
	<i>Ref:38.2-508</i>
7. Illegal kickbacks and referrals	
	<i>Ref: 38.2-4614, 38.2-1821.1 (B) 8</i>
<b>G. Insurance Information and Privacy Protection</b>	
	<i>Ref: 38.2-600 to 620</i>
<b>H. Retention of Records</b>	
	<i>Ref: 38.2-1809(B)</i>
<b>VIII. VIRGINIA RULES AND STATUTES PERTINENT TO TITLE INSURANCE</b> .....	<b>8</b>
<b>A. Real Estate Settlements / Real Estate Settlement Agents*</b>	
	<i>Ref: 55-525.11 to 55-525.32; 14 VAC 5-395-10 to 90</i>
<b>B. Real Estate Settlement Protection Act</b>	
	<i>Ref: 12USC Section 2600</i>

\*Note: The name of VIII.A. has changed on October 1, 2010. This change does not affect the content of the exam questions.